



**BRUCE A. CHERNOF, M.D.**  
Acting Director and Chief Medical Officer

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Chief Deputy Director

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Acting Senior Medical Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

**BOARD OF  
SUPERVISORS**

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February 9, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Acting Director of Health Services or his designee to accept the attached compromise offer of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC + USC -- 1675700	\$25,000
(2)	Account Number	LAC + USC -- 2963256	\$8,333
(3)	Account Numbers	LAC + USC -- 1894951, 1978970	\$5,000
(4)	Account Number	LAC + USC -- 2304018	\$4,436

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offer of settlement for patient account (1) is recommended because the patient can not pay the full amount of his insurance co-payment based on his current financial status. This is the highest amount that could be negotiated with the patient. The compromise offers of settlement for patient accounts (2) to (4) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

**Implementation of Strategic Plan Goals:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of revenue totaling approximately \$42,769.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

The compromise of these accounts is not within the Acting Director's authority, so the Acting Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

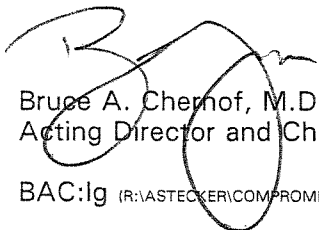
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Acting Director and Chief Medical Officer

BAC:lg (R:\ASTECKER\COMPROMISEBOLDTR#40\LETTER)

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: February 9, 2006

Total Charges	\$220,486	Account Number	1675700
Amount Paid (By Patient's Insurance)	\$18,200	Service Type	Inpatient
Balance Due (Patient's Liability)	\$202,286	Dates of Service	07/24/2004-08/11/2004
Compromise Amount Offered	\$25,000	% of Balance	12.4%
Total Expected Payment (From Insurance & Patient)	\$43,200	% of Charges	19.6%
Amount to be Written Off	\$177,286	Facility	LAC+USC Medical Center

### JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$220,486 for medical services rendered. The patient's insurance company paid \$18,200 and the balance of \$202,286 represents the patient's liability. The patient does not qualify for the Ability To Pay program because he is not a resident of Los Angeles County. Based on financial information provided, it appears that the patient does not have the financial means to pay the full cost of care.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: February 9, 2006

Total Charges	\$30,410	Account Number	2963256
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$30,410	Date of Service	06/12/2005 - 06/17/2005
Compromise Amount Offered	\$8,333	% Of Charges	27%
Amount to be Written Off	\$22,077	Facility	LAC+USC Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient of \$30,410 for medical services rendered. The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333	\$8,333.3	33.3%
LAC+USC Medical Center	\$30,410	\$8,333.3	33.3%
Patient		\$8,333.4	33.4%
Total		\$25,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: February 9, 2006

Total Charges	\$55,538	Account Numbers	1894951, 1978970
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$55,538	Date of Service	09/16/2004 – 09/25/2004 10/7/2004
Compromise Amount Offered	\$5,000	% Of Charges	9%
Amount to be Written Off	\$50,538	Facility	LAC+USC Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$55,538 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5000	\$3,750	25%
LAC+USC Medical Center	\$55,538	\$5,000	33%
Other Lien Holders	\$9,064	\$5,770	35%
Patient		\$980	7%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: February 9, 2006

Total Charges	\$127,722	Account Number	2304018
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$127,722	Date of Service	01/03/2005 – 01/24/2005
Compromise Amount Offered	\$4,436	% Of Charges	3%
Amount to be Written Off	\$123,286	Facility	LAC+USC Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$127,722 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33%
Lawyer's Cost	\$1,610	\$1,610	11%
LAC+USC Medical Center	\$127,722	\$4,436	29%
Other Lien Holders	\$864	\$864	6%
Patient		\$3,090	21%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.